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OFFICE OF PRICE ADMINISTRATION

FARM PRODUCTION AND FOOD PRICES IN THE UNITED KINGDOM

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Britain's wartime agricultural policy of increasing home food production has had impressive results. Of Britain's 55 million acres, only 12 million were under the plow in 1939; today, the arable acreage has increased to 18 million acres, or 33 per cent of the total area of the country. Britain is now producing 66 per cent of her own food compared with 30 to 40 per cent in 1939. This increased agricultural production has been induced despite restraints on the prices of foodstuffs.<sup>1/</sup> Although the food component of the cost of living index rose 24 per cent between the beginning of the war and April 1941 when the cost of living stabilization policy was stated in formal terms, by June 1942 it had been reduced to 16 per cent above the pre-war level.

This imposing achievement is by no means accidental; it is due to the firm determination of the British Government to ensure an adequate supply of food for the population and at the same time to prevent any undue rise in the prices of foodstuffs. The Ministry of Agriculture and the Ministry of Food, working in collaboration with the Ministry of Shipping, were made responsible for effecting the Government's wartime food policy, and the Ministry of Food was given wide power to regulate the production, distribution, and price of food.

#### I. Stimulants to Production

The wartime food production campaign in Great Britain has been aimed at filling the gap resulting from the drastic curtailment of imports of food and animal feeding stuffs which became necessary because of the critical shortage of shipping space. At the outbreak of war Britain was importing human food at the rate of 16 million tons and animal feeding stuffs at the rate of 7 million tons a year. From the outbreak of war to the end

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<sup>1/</sup> Wholesale and retail price movements of foodstuffs in the United Kingdom are set forth in Table II and in the Chart.







of 1942, British wheat acreage increased 50 percent, and a total wartime increase of 80 per cent is envisaged for 1943. Production of oats has increased from 2 1/2 million tons to 4 million tons over the war period. The beet sugar production of about 500,000 tons is sufficient to fulfill the domestic sugar ration requirements. Potato production has increased 60 per cent, making Britain entirely self-supporting in this food. The production of other vegetables shows an overall increase of 30 per cent. As a result of the "dig for victory" campaigns, allotments and private gardens now produce about 600,000 tons, or \$40-\$60 million <sup>1/</sup> worth of vegetables. Importation of animal feeds has ceased. The predominance of mixed farming makes it possible for livestock producers to grow a large proportion of their feed requirements. However, the nation's food policy gives first preference to production of food for direct human consumption, and after that, in order of priority, to maintaining dairy cattle, beef cattle, sheep, poultry, and pigs. As a result of this policy, while the number of dairy cattle has increased slightly, the number of beef cattle, pigs and sheep has declined.

The techniques which the British Government has employed to accomplish this result are (a) extensive use of subsidies and other financial inducements, (b) provision of an adequate supply of farm labor, (c) propaganda intended to secure voluntary increases in production, (d) increased mechanization, and (e) provision of technical advice to farmers.

#### 1. Financial Inducements

Substantial subsidy payments have been made to encourage the growing of foodstuffs without raising producers' selling prices. Pre-war subsidies designed to encourage agricultural production were continued and have been greatly supplemented. To encourage the expansion of agricultural production, a subsidy of \$8 an acre (later increased to \$12 an acre) I<sup>7</sup> Throughout this memorandum £1 is converted at \$4.







was granted to farmers shifting from grass land to food crops. A grant of \$8 an acre was made to enable the Local Authorities to use land for allotments 1/ which they had acquired for other purposes. Potato growers have been paid \$40 for each acre of potatoes grown and sold to licensed potato buyers acting on behalf of the Ministry of Food.

An acreage payment of \$12 an acre is made to growers of wheat and rye, which effects a substantial increase in the price per bushel for farmers obtaining lower yields. Under the plan for dealing with marginal land and farms, a subsidy has been granted for the raising of hill sheep and upland cattle. A subsidy is paid on animal feeds which, in late 1941, amounted to about 10 million dollars. These subsidies act as a means of encouraging farmers on less fertile lands and with less experience in growing these crops to contribute to the drive for greater food production.

Apart from subsidies, the Government has encouraged increased production by providing a guaranteed market at fixed prices for the great majority of farm products. The growing of potatoes, carrots, and onions, for example, has been encouraged by setting remunerative fixed purchase prices for these products. The production of milk has similarly been encouraged by guaranteed prices, fixed to ensure adequate production.

Every inducement, such as cash loans on easy terms, loans of Government owned farming equipment, and long-term payment arrangements for seed, has been given to farmers to expand their output. Government grants are made to encourage farmers to drain their land or improve existing drainage systems; the Government does not expect to recover more than 50 per cent of such costs.

## 2. Labor

An adequate supply of farm labor has been assured by various methods. The maximum deferment of farm workers is now secured. For some time past, the Local Manpower Boards have been directed to grant deferment to all 1/ Small plots of ground used for home cultivation.







agricultural workers over 25 and to key workers under 25 years of age upon application by their employers. The industry at the present time is in process of being scheduled under the Essential Work Order, which means that agricultural workers will be frozen in their jobs and cannot leave them without permission of the National Service Officer representing the Ministry of Labour.

Agricultural workers who have left the farm have been encouraged to return to it. Mobile labor gangs and labor pools have been set up, and special hostels have been built by the Ministry of Works and Buildings to house them. The Women's Land Army, which now includes over 50,000 women trained at Government expense, and the Emergency Land Corps, composed of women available for part-time work, have made a substantial contribution to the supply of farm labor. Voluntary Land Clubs, comprising people with full-time jobs but who give time for land work at weekends and during holidays, supplement the labor force. Children over 12 can be released from school for 20 half days or 10 full days a year to do agricultural work. In addition, many schools in agricultural areas have lengthened their holidays to allow the children to work in the harvest. Members of the Forces, Italian prisoners, and convicts have also been employed on farms during the peak periods of demand, such as harvest time. An increase in the national minimum wage of agricultural laborers from \$9.60 to \$12.00 a week was granted in November 1941. With this increase the level of agricultural wages had been near-doubled in less than two years.

### 3. Publicity

Appeals to farmers to increase production were made early in 1939 by the Ministry of Agriculture, and immediately after war broke out each farmer was asked to plow up roughly 10 per cent of his unplowed land. The plowing-up campaign was so successful that the quota for the 1939-1940 season was reached by May of 1940. In order to provide for the best utilization of the land, the Government, in 1940-1941, carried out a farm survey on the basis of which each county committee was asked







to make an estimate of the land available for plowing in its county. These estimates were studied by the Ministry and each county was given a minimum quota of acreage to be plowed.

The growing of food by the non-agricultural population is also encouraged by the Ministry of Agriculture. From the outbreak of war to April 1941 the estimated number of allotments had risen by approximately 541,000, and they now number 1,750,000, practically double the pre-war figure. Private gardens now number two to three million. The formation of domestic pig, rabbit, and poultry clubs has been encouraged. Pig clubs, which numbered some 400 in 1941, now total nearly 2,500.

#### 4. Mechanization

The amount of mechanized equipment used on British farms has increased tremendously since the outbreak of war. There are now over 125,000 tractors in operation, compared to the pre-war figure of 50,000. Tractor producing firms have been given Government contracts to produce at full capacity, and farm machinery is being procured from Canada, Australia, and the United States. The Ministry of Agriculture owns 7,000 tractors, mobilized under the County War Agricultural Committees to be rushed wherever they are urgently needed to supplement private tractors. Plowing contractors are helped to extend their operations and farmers are asked to cooperate with one another. In some counties implement depots have been established where a farmer can hire an implement for a few shillings a day.

The most recent development is the setting up of an Agricultural Machinery Development Board. The Agricultural Machinery Development Board is composed of progressive farmers familiar with the problems of







mechanization, manufacturers of agricultural implements, representatives of agricultural workers' organizations, the Department of Scientific and Industrial Research, and the Agricultural Research Council. Its duties are to arrange for the testing of agricultural machinery and implements and to consider questions of uniformity and standardization, the provision of educational and advisory facilities and, in general, any matters relating to the mechanization of agriculture.

#### 5. Technical Advice

Research on better farming practices is directed by the Agricultural Research Council, and the Agricultural Improvement Council, established in June 1941, is responsible for devising methods whereby the results of modern research are applied as rapidly as possible to current farming practices. County Committees have been instructed to set up Demonstration Sub-Committees, the task of which is to arrange for new ideas and methods to be brought to the notice of progressive farmers by holding special demonstrations for them. Farmers are taken to see the best farms in their district, where they can be shown the methods and operations which they are expected to carry out with the equipment and assistance available to them. A Technical Development Committee has been set up inside the Ministry of Agriculture to supply the Demonstration Committees with notes and suggestions; this committee makes arrangements for demonstration plots and has arranged training courses to demonstrate the use of new implements.

The country could no longer afford to have land badly farmed. Since the outbreak of war 2,000 farm tenancies, aggregating some 200,000 acres,







have been terminated on account of bad farming and cultivation has been taken over by the County War Agricultural Committees acting on behalf of the Government. In addition the Committees have ploughed up 300,000 acres of what was formerly derelict or undeveloped land.

## II. Restraints on Prices

In view of the striking increases in domestic production of agricultural products which Britain has achieved since the outbreak of war, its success in restraining the cost of foodstuffs to the consumer is particularly noteworthy.

The British Government's declared policy, announced in the Budget Speech of April 1941, of maintaining the cost of living at not more than the 25-30 per cent above the pre-war level which had then been reached has been realized largely because of the effectiveness of the Ministry of Food's program of restraining the retail prices of agricultural products.

Wartime control of the prices of food and feeding stuffs is vested in the Ministry of Food,<sup>1/</sup> which is empowered to fix prices or margins at any stage of production or distribution, to buy and sell, and to subsidize foodstuffs in order to keep down their prices. Restraints on prices have been accomplished by the following methods:

### 1. Subsidization

The policy of subsidizing agricultural production, discussed in Part I, has operated as a price restraining subsidy also because it has obviated the necessity of raising prices to increase production. In many cases the Ministry of Food sells to the trade at a loss in order to

<sup>1/</sup> This Ministry was created by Order-in-Council, September 6, 1939, under the authority of the Ministries of the Crown (Emergency Appointments) Act of September 1, 1939, and derives its powers to control prices and regulate foodstuffs from the Emergency Powers (Defense) Act of 1939, under which it is a "competent authority."







keep down the price of the product. The foods initially subsidized were flour, bread, meat, bacon, and milk. The milk subsidies have been increased and cheese, feeding stuffs, eggs, butter, and potatoes have been added to the list of subsidized products. In 1942 the cost of food subsidies was of the order of \$600 million a year, and it is authoritatively estimated that it may well run about \$700-\$800 million in 1943. This is about 1.4 per cent of British gross national production in 1942.<sup>1/</sup> On the basis of this percentage, a corresponding figure for the United States would be about \$2 billion.

## 2. Control of Distribution

Centralized buying and elimination of needless costs in marketing and distribution have contributed to the suppression of increased food costs. Growers sell to licensed, "approved" buyers or directly to the Ministry of Food at fixed prices. Extensive economies have been effected as a result of zonal and allocation restrictions on the distribution of a wide range of foodstuffs.

## 3. Ceilings

For a short period after the outbreak of war, food prices were controlled by provisional "standstill" orders; selective control of essential foodstuffs by maximum price orders was pursued from mid-September 1939 to the end of 1940, but since early January 1941, governmental price fixing has been comprehensive.

In addition to the direct subsidies described above, the Ministry of Food sells certain foods to wholesalers at prices calculated to cover its own costs and fixes the maximum wholesale and retail prices

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<sup>1/</sup> Cf. Table 1 of The Economic Impact of War Expenditures (The United States, Canada and the United Kingdom), prepared in the Price and Economic Policy Branch, Division of Research, Office of Price Administration, January 1943.





accordingly; it also fixes maximum prices for commodities which do not pass through its own hands. Price schedules are issued for each commodity, specifying in most cases both the maximum wholesale and the maximum retail prices. The Ministry has held the view that the pre-war wholesale and retail distribution system should be maintained, and margins for wholesalers and retailers are fixed so as to provide reasonable returns.

When an appreciable increase of 25 per cent was made in the national minimum weekly wage for farm workers in November 1941, assurance was given by the Government that prices for farm products would be adjusted to meet any substantial changes in costs of production. These adjustments were made on a selective basis, in accordance with the needs of the producers of the various products. The price of wheat was raised only 10 per cent,<sup>1/</sup> and of oats approximately 7 per cent. Potato growers were given an increased return of approximately \$1 a ton, an increase of less than 5 per cent over what they obtained for the 1941 crop.

Graduated price adjustments were to be made for fat cattle designed to secure an overall average increase of \$1.30 a live cwt. in a full year. Apart from possible minor adjustments, no price increase was to be allowed for fat cows, bulls and calves. An increase averaging  $2\frac{1}{2}\text{¢}$  a lb. over a full year was granted in the prices of fat sheep and lambs. No increase was made in the price of fat ewes and rams. The price of clean pigs and rigs was increased by 20¢ a score, but no increase was allowed in the prices for sows or other classes of pigs. These increases in producers' prices were not reflected in the price to consumers. The prices of bread, bacon, beef and mutton remained constant through September 1942; the price of potatoes fell 22 points by October 1942, due to additional subsidy payments.

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<sup>1/</sup> The price for the 1943 harvest has been reduced by 10 per cent and the subsidy on wheat raised. 14918





### III. Price Behavior

As will be seen from the attached chart, wholesale food prices rose up to the end of 1940, until by December 1940 they were 59 per cent above the August 1939 level.<sup>1/</sup> Retail prices had also risen over this period but not at such a great rate. Retail prices in December 1940 were 26 per cent above the immediate pre-war level. It was at this point that the government's policy of retail price stabilization began to take effect, though it was not until April 1941 that stabilization of the cost of living index was publicly stated to be government policy. Since January 1941 when retail prices were 25 per cent above the pre-war level they have been reduced to a minimum of 16 per cent above the pre-war level in June 1942 and are now maintained at 19 per cent above the pre-war level. Meanwhile, wholesale prices have continued to rise, reaching their peak in May 1942, since which time they have tended to decline. In January 1943 the wholesale price of foodstuffs stood at 76.7 per cent above the pre-war level while the prices of industrial materials and manufactures stood at 59.5 per cent above the pre-war level.<sup>2/</sup> The Chart demonstrates the effectiveness of the British Government's policy of insulating retail prices of foodstuffs from the upward pressure on prices.

The effect of these price-restraining measures is clear and significant. An analysis of the price movements of subsidized foods reveals that they have been relatively stable since their subsidization began.<sup>3/</sup> Bread prices

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<sup>1/</sup> The wholesale price index includes the price of tobacco which is not included in the index of retail prices. The tobacco item is weighted 7 per cent of the total index. An examination of average price statistics for tobacco indicate that, when the small weight of the tobacco item in the total index is taken into consideration, the exclusion of tobacco would not materially affect the price relationships shown in Table II and in the appended Chart. A breakdown of the wholesale price index of foodstuffs and tobacco is given in Table I.

<sup>2/</sup> Board of Trade Price Index.

<sup>3/</sup> See Table III.





have remained practically at their pre-war level. Although standard milk prices have risen 33 per cent above pre-war levels, under the National Milk Scheme subsidized milk has sold at only two-thirds pre-war standard prices. The introduction of the egg subsidy was accompanied by a very sharp price decline from 75 per cent to 26 per cent above pre-war levels. Potato prices, which had increased 46 per cent by September 1941 were stabilized at about 26-28 per cent above pre-war levels in December 1941. Cheese prices have been held at 30 per cent above pre-war levels since January 1, 1941. The British Government has stabilized by means of subsidy the retail prices of about 90 per cent, by weight, of the food item in the official cost of living index; that is to say, roughly 50 per cent of the total cost of living index.





United Kingdom

Wholesale Price Indices of Foodstuffs  
 Monthly, January 1939 - December 1942  
 August 1939 = 100

		Meat Fish &	Other Food &	Total Food &
	Cereals	Eggs	Tobacco	Tobacco
<u>1939</u>				
January	111.7	103.3	95.5	102.3
February	109.3	100.4	95.4	100.8
March	106.2	99.4	95.6	99.7
April	106.7	99.5	98.7	101.1
May	108.7	97.0	100.3	101.7
June	103.5	98.5	103.0	101.7
July	98.8	99.8	103.2	100.9
August	100.0	100.0	100.0	100.0
September	120.1	110.3	107.8	111.9
October	129.9	115.5	119.0	121.0
November	141.9	119.3	121.0	125.8
December	154.2	124.4	121.2	130.6
<u>1940</u>				
January	159.3	132.0	122.7	135.3
February	160.6	133.1	129.6	139.0
March	156.1	130.6	128.8	136.8
April	155.1	130.4	134.6	139.0
May	156.7	131.0	140.0	141.8
June	158.5	132.4	143.3	144.1
July	160.7	135.8	150.1	148.7
August	170.2	138.0	145.5	149.9
September	173.6	140.6	151.9	154.4
October	173.5	142.3	160.0	158.3
November	174.2	142.9	159.4	158.4
December	175.6	143.2	161.9	159.8
<u>1941</u>				
January	173.6	142.0	164.7	160.1
February	171.7	140.8	165.7	159.6
March	167.3	142.3	167.0	159.4
April	165.5	144.8	166.1	159.3
May	169.6	142.7	166.0	159.7
June	174.4	142.0	165.2	160.5
July	176.8	137.8	170.5	161.8
August	180.0	138.1	166.8	161.3
September	187.7	138.1	165.3	162.7
October	191.4	137.3	165.1	163.4
November	194.9	136.9	166.0	164.5
December	200.0	137.6	--	166.5





		Meat Fish & Eggs	Other Food & Tobacco	Total Food & Tobacco
Cereals				
<u>1942</u>				
January	206.8	137.8	166.3	167.7
February	232.7	137.6	166.2	173.6
March	239.9	137.6	166.1	174.7
April	238.0	137.6	171.3	176.8
May	241.7	137.6	176.5	179.9
June	231.9	137.6	175.7	174.4
July	218.0	137.6	179.2	175.6
August	209.4	137.6	173.7	171.3
September	211.5	137.6	170.2	170.5
October	222.9	138.4	167.6	172.2
November	223.7	141.4	170.7	174.9
December	224.4	142.9	171.6	175.9

Source: Great Britain Board of Trade Journal





United Kingdom  
 Foodstuff Price Movements  
 Wholesale and Retail  
 Monthly Indices, January 1939 - November 1942  
 (August 1939 = 100)

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	Wholesale <u>1/</u>	Retail <u>2/</u>
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<u>1939</u>		
January	102.3	100.7
February	100.8	100.7
March	99.7	98.5
April	101.1	98.5
May	101.7	97.8
June	101.7	97.8
July	100.9	101.5
August	100.0	100.0
September	111.9	100.7
October	121.0	109.5
November	125.8	112.4
December	130.6	114.6

  

<u>1940</u>		
January	135.3	114.6
February	139.0	117.5
March	136.8	117.5
April	139.0	115.3
May	141.8	116.1
June	144.1	115.3
July	148.7	122.6
August	149.9	119.7
September	154.4	121.2
October	158.3	123.4
November	158.4	125.5
December	159.8	126.3

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1/ Food and Tobacco.  
 Source: Board of Trade "Wholesale Price Index".

2/ Excluding Tobacco.  
 Source: Ministry of Labour "Cost of Living Index",  
 First of Month Index.





	Wholesale	Retail
<u>1941</u>		
January	160.1	125.5
February	159.6	124.8
March	159.4	123.4
April	159.3	124.1
May	159.7	124.8
June	160.5	124.1
July	161.8	121.9
August	161.3	121.9
September	162.7	121.2
October	163.4	120.4
November	164.5	120.4
December	166.5	120.4
<u>1942</u>		
January	167.7	119.0
February	173.6	119.0
March	174.7	118.2
April	176.8	116.8
May	179.9	116.8
June	174.4	116.1
July	175.6	117.0
August	171.3	116.8
September	170.5	116.8
October	172.2	118.2
November	174.9	119.0

Note: The wholesale price index includes the price of tobacco which is not included in the index of retail prices. The tobacco item is weighted 7 per cent of the total index. An examination of average price statistics for tobacco indicate that, when the small weight of the tobacco item in the total index is taken into consideration, the exclusion of tobacco would not materially affect the price relationships shown in Table II and in the appended Chart.





BRIT  
BEE

RIBS

1939

OCTOBER	103
NOVEMBER	104
DECEMBER	105*

1940

JANUARY	108
FEBRUARY	110
MARCH	110
APRIL	110
MAY	110
JUNE	110
JULY	110
AUGUST	110
SEPTEMBER	110
OCTOBER	110
NOVEMBER	110
DECEMBER	110

1941

JANUARY	110
FEBRUARY	110
MARCH	110
APRIL	111
MAY	111
JUNE	110
JULY	111



UNITED KINGDOM  
PRINCIPAL FOODSTUFFS  
MONTHLY INDEX OF RETAIL PRICES - SEPTEMBER 1939 - DECEMBER 1942.  
(SEPTEMBER 1, 1939 = 100)

	BRITISH BEEF		CHILLED OR FROZEN BEEF		BRITISH MUTTON		FROZEN MUTTON		BACON	FISH	FLOUR	BREAD	TEA 2/	SUGAR 3/	MILK	BUTTER 2/		CHEESE	MARGARINE	EGGS	POTATOES 5/
	RIBS	FLANK	RIBS	FLANK	LEGS	BREAST	LEGS	BREAST								FRESH	SALT				
1939																					
OCTOBER	103	105	104	106	104	105	103	107	110	129	103	102	101	147	101	112	110	104	101	119	101
NOVEMBER	104	107	107	111	115	108	106	113	122	116	103	103	103	148	103	114	122	109	93	133	103
DECEMBER	105*	109*	108*	114*	105*	110*	107*	115*	128	124	103*	103*	105	149	103	114	123	118*	102	144	103
1940																					
JANUARY	108	114	110	117	108	114	108	119	131	126	103	103	106	149	104*	114	123	125	102	130	104
FEBRUARY	110	124	132	123	112	108	115	101	134*	135	102	103	106	149	103	114	123	134	102	134	110
MARCH	110	125	133	123	113	108	115	100	123	130	102	103	106	149	102	114	123	140	111	141	113
APRIL	110	126	134	123	113	108	115	100	123	134	101	103	106	149	102	114	123	141	111	94	122
MAY	110	126	134	123	113	108	115	100	123	134	101	103	107	149	101	114	123	139	112	112	125
JUNE	110	125	133	123	113	107	115	100	123	131	101	103	107	149	94	113	123	129	112	110	125
JULY	110	125	133	122	113	107	115	99	123	139	100	103	107	147	114 4/	113	122	128	112	115	122*
AUGUST	110	125	133	122	112	107	115	100	122	140	99	103	107	147	115	113	122	129	112	133	142
SEPTEMBER	110	125	134	122	112	107	115	100	123	150	100	103	107	164	115	113	122	129	112	147	121
OCTOBER	110	126	134	122	112	108	115	99	123	155	99	103	107	164	117	114	123	129	112	170	123
NOVEMBER	110	126	134	122	112	107	115	100	124	156	99	103	107	164	118	114	124	129	112	198	128
DECEMBER	110	125	134	122	112	107	115	100	124	165	99	103	107	164	118	114	124	130	112	199	130
1941																					
JANUARY	110	125	134	122	112	107	115	100	124	175	99	103	107	132	133	114	124	130	112	186	132
FEBRUARY	110	125	134	122	112	107	115	100	123	187	99	103	107	132	131	115	124	130	112	172	136
MARCH	110	125	134	122	113	107	115	100	123 1/	186	99	103	107	132	131	115	124	130	112	147	135
APRIL	111	126	134	122	113	108	115	100	136	184	99	103	107	132	131	115	124	130	112	144	141
MAY	111	126	134	122	113	108	115	100	136	211**	99	103	107	132	127	115	124	130	112	144	143
JUNE	110	126	134	122	113	108	115	100	137	196	99	103	107	132	125	115	124	130	112	144*	145
JULY	111	126	134	122	112	108	115	100	136	156	99	103	107	132	129	115	124	130	112	136	150

(CONTINUED ON NEXT PAGE)



BRITISH  
BEEF

RIBS FLANK

1941 (CONT'D)

AUGUST	111	127
SEPTEMBER	111	126
OCTOBER	110	127
NOVEMBER	110	126
DECEMBER	110	127

1942

JANUARY	111	127
FEBRUARY	111	127
MARCH	111	126
APRIL	111	127
MAY	111	127
JUNE	111	127
JULY	111	127
AUGUST	111	127
SEPTEMBER	111	127
OCTOBER	111	127
NOVEMBER	111	127
DECEMBER	111	127

\*\* UNVERIFIED

\* DATE SUBSIDIZED.

1/ BACON SUBSIDY REMOVE  
1942, TO A MINOR EXT

2/ SUBSIDIZED SOMETIME

NOTE: THE FOOD COMPONE  
THE FOOD INDEX I  
WEIGHTED FOOD IN  
MEATS, MILK, AND

SOURCE: MINISTRY OF LA



	BRITISH		CHILLED OR		BRITISH		FROZEN		BACON	FISH	FLOUR	BREAD	TEA 2/	SUGAR 3/	MILK	BUTTER		CHEESE	MARGARINE	EGGS	POTATOES
	BEEF		FROZEN BEEF		MUTTON		MUTTON									FRESH	SALT				
	RIBS	FLANK	RIBS	FLANK	LEGS	BREAST	LEGS	BREAST													
1941 (CONT'D)																					
AUGUST	111	127	134	122	113	108	115	100	136	156	99	103	107	132	130	115	124	130	112	126	146
SEPTEMBER	111	126	134	122	113	108	115	100	136	156	99	103	107	132	130	115	124	130	112	126	136
OCTOBER	110	127	134	122	113	108	115	100	136	141	99	102	107	132	132	115	124	130	112	126	131
NOVEMBER	110	126	134	122	113	108	115	100	136	142	114	97	107	132	132	115	124	130	112	126	126
DECEMBER	110	127	134	122	113	108	115	100	136	142	115	97	107	132	133	115	124	130	112	126	127
1942																					
JANUARY	111	127	134	122	113	108	115	100	136	142	115	97	107	99	133	115	124	130	112	126	128
FEBRUARY	111	127	134	123	113	108	115	100	136	142	115	97	107	99	133	115	124	130	112	126	128
MARCH	111	126	134	123	113	108	115	100	136	142	115	97	107	99	132	115	124	130	112	126	128
APRIL	111	127	134	123	113	108	116	100	136	142	115	97	107	99	131	115	124	130	112	101	128
MAY	111	127	135	122	113	108	116	100	137	142	115	97	107	99	129	115	124	130	112	101	128
JUNE	111	127	135	123	113	108	116	100	137	142	114	97	107	99	124	115	124	130	112	101	128
JULY	111	127	135	122	113	108	115	100	137	142	114	97	107	99	128	115	124	130	112	101	134
AUGUST	111	127	135	122	113	108	116	100	137	142	114	97	107	99	129	115	124	130	112	101	134
SEPTEMBER	111	127	135	122	113	108	116	100	137	142	115	97	107	99	131	115	124	130	112	101	127
OCTOBER	111	127	135	122	113	108	116	100	137	142	123	109	107	99	133	115	124	130	112	101	106
NOVEMBER	111	127	135	122	113	108	116	100	150	131	126	109	107	99	133	121	131	130	112	101	106
DECEMBER	111	127	135	122	113	108	116	100	150	131	126	109	107	99	133	121	131	130	112	101	106

- \*\* UNVERIFIED
- \* DATE SUBSIDIZED.
- 1/ BACON SUBSIDY REMOVED; THERE IS SOME EVIDENCE THAT THE SUBSIDY WAS RESUMED IN 1942, TO A MINOR EXTENT.
- 2/ SUBSIDIZED SOMETIME DURING 1941.
- 3/ PRE-WAR SUBSIDY.
- 4/ SUBSIDY TO SPECIAL CLASSES OF CONSUMERS UNDER NATIONAL MILK SCHEME.
- 5/ SUBSIDIZED IN FALL OF 1941.

NOTE: THE FOOD COMPONENT IS GIVEN A WEIGHT OF 60 PER CENT IN THE MINISTRY OF LABOUR'S COST OF LIVING INDEX. THE FOOD INDEX IS BASED ON 14 PRODUCTS; ELEVEN OF THESE, ACCOUNTING FOR ABOUT 92 PER CENT OF THE WEIGHTED FOOD INDEX, ARE SUBSIDIZED. THE MAJOR PORTION OF THE SUBSIDY FUNDS ARE PAID ON BREAD, FLOUR, MEATS, MILK, AND POTATOES WHICH TOGETHER ACCOUNT FOR ABOUT 55 PER CENT OF THE WEIGHTED FOOD INDEX.

SOURCE: MINISTRY OF LABOUR GAZETTE.









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